

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY
MARK E. FELGER (MF9985) JERROLD N. POSLUSNY (JP7140) COZEN O'CONNOR LibertyView, Suite 300 457 Haddonfield Road Cherry Hill, NJ 08002 (856) 910-5000 Proposed Attorneys for the Debtors
In re:
SHAPES/ARCH HOLDINGS L.L.C., <u>et al.</u> ,
Debtors.

Case No. 08-14631(GMB)

Judge: Gloria M. Burns

Chapter: 11

**ORDER AUTHORIZING THE DEBTORS TO RETAIN, EMPLOY
AND COMPENSATE PROFESSIONALS IN THE ORDINARY
COURSE NUNC PRO TUNC TO MARCH 16, 2008**

The relief set forth on the following pages, numbered two (2) through six (6) is hereby
ORDERED.

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Upon consideration the verified motion (the “Motion”)¹ of the above-captioned debtors and debtors-in-possession (the “Debtors”), for an Order authorizing the Debtors to retain, employ and compensate the Ordinary Course Professionals for specific services and authorizing payment of fees and expenses to professionals in the ordinary course; and notice being sufficient under the circumstances; and such relief being necessary to assure that operation of the Debtors’ businesses will not be disrupted, it is ORDERED:

1. That the Motion is GRANTED.
2. That the Debtors are authorized to retain, employ and compensate the Ordinary Course Professionals set forth on Exhibit “A” to the Motion nunc pro tunc to March 16, 2008.
3. That, without formal application to this Court by any Ordinary Course Professional or by the Debtors, the Ordinary Course Professionals can be compensated on a monthly basis 100% of their fees and expenses in the manner such Ordinary Course Professional is customarily compensated by the Debtors. The Debtors shall not provide any such compensation unless they receive reasonably detailed invoices indicating the nature of the services rendered and calculated in accordance with such Ordinary Course Professionals’ standard billing practices (without prejudice to the Debtors’ customary rights to dispute any such invoices and subject to the additional limitations set forth below). The Debtors propose that they be permitted to pay, without formal application to the Court by any Ordinary Course

¹ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Motion.

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Professional, 100% of the interim fees and disbursements to each of the Ordinary Course Professionals upon the submission to the Debtors of reasonably detailed invoices setting forth the nature of the services rendered and calculated in accordance with such Ordinary Course Professional's standard billing practices. Within five days of the Debtors' counsel's receipt of an invoice from an Ordinary Course Professional, the Debtors' counsel shall serve the invoice upon: (a) counsel for the Lender Group, (b) counsel for Versa, (c) the Office of the United States Trustee, (d) counsel for the Committee, and (e) all parties on the Master Service List (the "Notice Parties").

4. That each Ordinary Course Professional may be paid interim fees and expense reimbursements up to an average of \$5,000 per month, but no more than a total of \$25,000 during the pendency of these cases.

5. That if the total fees and expense reimbursements for any one Ordinary Course Professional exceeds \$25,000 during the pendency of these cases, such Ordinary Course Professional shall be required to apply for approval by the Court, in accordance with Sections 330 and 331 of the Bankruptcy Code, of all such Ordinary Course Professional's fees and expenses. Such Ordinary Course Professional shall, however, be entitled to an interim payment of up to \$5,000 per month of service, consistent with paragraph 4 above, as a credit against the fees and expenses for such month ultimately allowed by this Court.

6. That the Debtors are authorized to retain Contingency Fee Attorneys in the ordinary course of business to assist in collecting outstanding accounts receivable. Contingency

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fees earned by the Contingency Fee Attorneys shall not be subject to the monthly limits set forth in paragraph 4, above.

7. That nothing in the Motion or this Order precludes the Debtors from seeking authority from this Court to increase the limitation on monthly payments to each Ordinary Course Professional or all Ordinary Course Professionals in the aggregate, or from seeking to amend the list of Ordinary Course Professionals that are subject to the terms of this Order.

8. That the Debtors may supplement the list of Ordinary Course Professionals by filing a Supplement with this Court and serving it upon (a) counsel for the Lender Group, (b) counsel for Versa, (c) the Office of the United States Trustee, (d) counsel for the Committee, if appointed, and if none appointed, the Debtors' consolidated list of top 30 unsecured creditors (but no less than the five largest unsecured creditors from each case) and (e) the Master Service List.

9. That each Ordinary Course Professional shall file with the Court: (a) an Affidavit that complies with Bankruptcy Rule 2014 and is substantially in the form of Exhibit "B" to the Motion and (b) a Retention Questionnaire substantially in the form of Exhibit "C" to the Motion and serve them upon: (i) the United States Trustee, (ii) counsel to the Committee, if appointed, and if none appointed, the Debtors' consolidated list of top 30 unsecured creditors (but not less than the five largest unsecured creditors from each case), (iii) counsel to the Debtors' pre- and post-petition secured lenders, (iv) counsel to the Debtors, and (v) parties on the Master Service List prior to receiving payment under this Order.

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10. That any party in interest shall have ten days after service of each Ordinary Course Professional's Affidavit and Retention Questionnaire (the "Objection Deadline") to object to the retention of such Ordinary Course Professional, and any such objection shall be filed with the Court and served upon the Debtors and their counsel, the Ordinary Course Professional and the United States Trustee on or before the Objection Deadline. If any such objection cannot be resolved within ten days after it is filed with the Court, the matter shall be scheduled for a hearing before the Court at the next regularly scheduled hearing date or other date otherwise agreeable to the Ordinary Course Professional, the Debtors and the objecting party.

11. That if no objection is filed within ten days after an Ordinary Course Professional filed the Affidavit and Retention Questionnaire, the Debtors shall be authorized to retain such Ordinary Course Professional as a final matter without further Order of this Court.

12. That the Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Order.

13. That the Debtors shall file quarterly statements with this Court and serve such statements on the Office of the United States Trustee, beginning three months from the date hereof, and such statements shall include the following information for each Ordinary Course Professional: (a) the name of such Ordinary Course Professional; (b) the aggregate amount paid to such Ordinary Course Professional during the previous 90 days; and (c) a general description of the services rendered by each Ordinary Course Professional (the "Quarterly Statements").

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The Debtors shall file a final statement incorporating all Quarterly Statements within the time established for professionals to file their final fee applications (the “Final Statement”). The Final Statement shall be served upon the Notice Parties and the Notice Parties shall have 20 days to file an objection pursuant to 11 U.S.C. § 330 with the Court.